

Message Text

UNCLASSIFIED

PAGE 01 SAIGON 06792 231349Z

54

ACTION AID-20

INFO OCT-01 EA-11 ISO-00 SS-20 NSC-07 IGA-02 H-03 AGR-20

DRC-01 RSC-01 /086 W

----- 012639

P 231115Z MAY 74

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC PRIORITY 5029

UNCLAS SAIGON 6792

E.O.11652 N/A

PASS NSC

SUBJECT: FY1975 CONGRESSIONAL PRESENTATION -- PL-480

PROGRAM, TITLE I NON-RICE IMPORTS: COMMENTS ON

TESTIMONY OF APRIL 25 BY INDOCHINA RESOURCE CENTER,

DIRECTOR WILLIAM C. GOODFELLOW.

REF: STATE 087692

1. SEPTELS HAVE RESPONDED TO SUBSTANTIVE QUESTIONS POSED IN REFTEL. BUT WE FEEL A FURTHER OBSERVATION MUST BE MADE AFTER REVIEWING THE BLATANT DISTORTIONS CONTAINED IN THE APRIL 25 TESTIMONY OF GOODFELLOW OF THE INDOCHINA RESOURCE CENTER BEFORE SENATE AGRICULTURAL APPROPRIATIONS SUB-COMMITTEE. IF WE CONTINUE TO CONTENT OURSELVES WITH BLAND STATEMENTS ABOUT HOW TITLE I GOODS ARE DISTRIBUTED AND HOW MUCH GOES TO REFUGEES AND OTHER GROUPS WE WILL NOT BE PERFORMING OUR CLEAR DUTY TO SEE THAT THE CONGRESS AND THE AMERICAN PEOPLE GET THE WHOLE TRUTH.

2. FOR EXAMPLE, GOODFELLOW'S CAUSTIC STATEMENT THAT A POLITICAL BENT EXISTS IN THE SALE PROGRAM SUBTLY INFERS AND SUGGESTS CORRUPTION, BUT THEREAFTER PRODUCES NO SHRED OF EVIDENCE IN SUPPORT. SUCH TESTIMONY NEEDS TO BE LABELED FOR WHAT IT IS - DELIBERATE DISTORTION.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 SAIGON 06792 231349Z

3. TO GODDFELLOW "POLITICAL USE" OF TITLE I TURNS OUT TO MEAN EXPENDITURE OF THE SALES PROCEEDS FOR THE GVN MILITARY BUDGET. HE IS COMFORTED BY THE FACT THAT SECTION 40 WILL PROHIBIT THIS USE IN THE FUTURE. BUT THAT, OF COURSE, IS NOT ENOUGH FOR HIM. HE ASSERTS THAT THE PROCEEDS WILL STILL BE USED AS A "POLITICAL TOOL" SINCE THEY "ARE USED BY THE ADMINISTRATION (SIC) TO MAINTAIN PRESIDENT THIEU.....IN POWER". THEREFORE, THE CONGRESS MUST TAKE FURTHER STEPS.

4. GOODFELLOW IS NOT SO UNWARY AS TO SUGGEST THAT THE SUPPLY OF FOOD BE CUT OFF ENTIRELY. THAT WOULD BE TOO EASY TO REFUTE: IT WOULD BE OBVIOUS TO EVERYONE THAT POOR PEOPLE NO LONGER HAD SO MUCH TO EAT AND WERE EVEN HUNGRIER. HE CLEVERLY SUGGESTS INSTEAD AN ADMINISTRATION NIGHTMARE, IN WHICH GRANT DISTRIBUTION WOULD BE SUBSTITUTED FOR THE SALES PROGRAM. THE ONLY WAY THIS TYPE OF DISTRIBUTION COULD BE CARRIED OUT WOULD BE WITH A VAST AND EXPENSIVE BUREAUCRACY IN PLACE OF AN EFFICIENT FREE MARKET. THE PROBLEMS OF GRANT DISTRIBUTION HAVE ALREADY LED US TO REDUCE PAST GRANT PROGRAMS.

THE SALES PROGRAM REACHES MOST PEOPLE. AND MOST PEOPLE ARE POOR. VIETNAM'S POPULATION OF 20 MILLION HAS AN AVERAGE ANNUAL INCOME OF ABOUT \$100 - THE VAST MAJORITY ARE THEREFORE POVERTY STRICKEN BY U.S. STANDARDS -- AND VIRTUALLY EVERYONE IN THE MARKET ECONOMY BENEFITS DIRECTLY IN THE BREAD, OIL, RICE, COTTON TEXTILES, TOBACCO, AND MEAT AND EGGS (GROWN FROM IMPORTED CORN). MANY MORE BENEFIT INDIRECTLY -- IF THEY DO NOT EAT PL-480 RICE, THEY ARE NEVERTHELESS ABLE TO BUY MORE VIETNAMESE RICE AT LOWER PRICES THAN THEY COULD WITHOUT THE AMERICAN IMPORT.

5. WITNESS GOODFELLOW ALSO ASSERTS THAT "COMMODITY LEVELS HAVE BECOME A FUNCTION OF "SECURITY CONSIDERATIONS'." NEITHER ELUCIDATION NOR EVIDENCE IS OFFERED. OBVIOUSLY, HE IS CREATING THE INFERENCE THAT COMMODITY LEVELS MIGHT BE RAISED BECAUSE THE MILITARY BUDGET NEEDS MORE PIASTERS. THAT, OF COURSE, IS NONSENSE OR MUCH MORE FOOD WOULD HAVE BEEN IMPORTED IN PAST YEARS. IN FACT, PL-480 AMOUNTS ARE DETERMINED BY PROJECTING DEMAND. IF THE ESTIMATE IS WRONG, STOCKS BUILD UP AND ORDERS ARE REDUCED OR DELIVERIES DELAYED.

6. GOODFELLOW'S TESTIMONY AGAIN CLEVERLY CONFUSES THE AID WITH UNCLASSIFIED

UNCLASSIFIED

PAGE 03 SAIGON 06792 231349Z

THE PIASTERS. THE U.S. DOES NOT GIVE VIETNAM PIASTERS. IT GIVES DOLLAR-FUNDED COMMODITIES -- THE ACTUAL FOOD. THAT FOOD IS GOING TO HUNGRY PEOPLE.

7. DISPOSITION OF THE PIASTERS THAT ARE GENERATED IS NOT AID. IT IS A DECISION ABOUT HOW VIETNAMESE PURCHASING POWER IS TO BE DISTRIBUTED. MOST TITLE I PROCEEDS HAVE GONE TO PAY THE VIETNAMESE WHO ARE DEFENDING THIS COUNTRY AGAINST INVADERS FROM THE

NORTH WHO ARE IN VIOLATION OF THE DRV'S FREELY ACCEPTED INTERNATIONAL OBLIGATIONS. SOUTH VIETNAM'S SOLDIERS ARE POOR, LIKE ITS CIVILIANS; ALMOST ALL ARE FAR BELOW THE U. S. POVERTY LINE. NOT BEING WEELL PAID, THEY ARE GENERALLY NOT VERY WELL FED, EITHER. NVEVERTHELESS, THEY ARE FIGHTING WITH DETERMINATION AND EFFECTIVENESS TO DEFEND THEIR FREEDOM.

EVEN WITH AMERICAN FORCES GONE, THEY ARE FIGHTING WITH SUCH EFFECTIVENESS THAT IS IS CLEAR THE DRV CANNOT WIN. THEREFORE, THE INDOCHINA RESOURCE GROUP WITNESSES LIKE GOODFELLOW ARE TRYING TO CRIPLE THEM IN EVERY CONCEIVABLE WAY, BECAUSE THEIR SCRIPT CALLS FOR A NORTH VIETNAMESE VICTORY. HOWEVER, IF THE CONGRESS IS TOLD THE TRUTH WE ARE CONVINCED THE MAJORITY WOULD AGREE THAT IT IS AS MUCH AN ACT OF CHARITY TO PROVIDE THESE BRAVE AND COURAGEOUS PEOPLE FIGHTING FOR THEIR FREEDOM WITH THEIR VERY MODEST REQUIREMENTS AS IT IS WITH ANY OTHER NEEDY PERSON. IT WOULD BE HELPPFUL IF AID/W COULD MAKE THE POINT NOW AND THEN THAT MOST AMERICANS WOULD APPROVE THE ADDITION OF TWO WORDS TO ACCURATELY DESCRIBE THE PROGRAM HERE AS FOOD FOR PEACE AND FREEDOM REPEAT AND FREEDOM.

MARTIN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: RICE, IMPORTS, PL 480 TITLE 1
Control Number: n/a
Copy: SINGLE
Draft Date: 23 MAY 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974SAIGON06792
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740129-0311
From: SAIGON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740523/aaaaaubw.tel
Line Count: 135
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AID
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: STATE 087692
Review Action: RELEASED, APPROVED
Review Authority: cunninfx
Review Comment: n/a
Review Content Flags:
Review Date: 30 OCT 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <30 OCT 2002 by boyleja>; APPROVED <07 JAN 2003 by cunninfx>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FY1975 CONGRESSIONAL PRESENTATION -- PL-480 PROGRAM, TITLE I NON-RICE IMPORTS: COMMENTS ON
TAGS: EAID, US, VS
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005